

House Study Bill 508 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON BALTIMORE)

A BILL FOR

1 An Act relating to property tax assessment and taxation by
2 modifying requirements relating to property assessment
3 notices and equalization order notices and including
4 applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 441.23, Code 2014, is amended to read as
2 follows:

3 **441.23 Notice of valuation.**

4 If there has been an increase or decrease in the valuation
5 of the property, or upon the written request of the person
6 assessed, the assessor shall, at the time of making the
7 assessment, inform the person assessed, in writing, of the
8 valuation put upon the taxpayer's property, and notify the
9 person, that if the person feels aggrieved, to contact the
10 assessor pursuant to section 441.30 or to appear before the
11 board of review and show why the assessment should be changed.
12 ~~However, if the valuation of a class of property is uniformly~~
13 ~~decreased, the assessor may notify the affected property owners~~
14 ~~by publication in the official newspapers of the county.~~ The
15 owners of real property shall be notified not later than April
16 1 of any adjustment of the real property assessment.

17 Sec. 2. Section 441.26, subsection 2, Code 2014, is amended
18 to read as follows:

19 2. The notice in ~~1981~~ and each odd-numbered year thereafter
20 shall contain a statement that the assessments are subject
21 to equalization pursuant to an order issued by the director
22 of revenue, that the county auditor shall give notice by
23 mail postmarked on or before October 15 ~~by publication in an~~
24 ~~official newspaper of general circulation to any class of~~
25 ~~property affected~~ to each property owner or taxpayer whose
26 valuation has been adjusted by the equalization order, and
27 that the board of review shall be in session from ~~October 15~~
28 November 10 to ~~November 15~~ December 10 to hear protests of
29 affected property owners or taxpayers whose valuations have
30 been adjusted by the equalization order.

31 Sec. 3. Section 441.35, subsection 2, Code 2014, is amended
32 to read as follows:

33 2. In any year after the year in which an assessment has
34 been made of all of the real estate in any taxing district,
35 the board of review shall meet as provided in section 441.33,

1 and where the board finds the same has changed in value, the
2 board shall revalue and reassess any part or all of the real
3 estate contained in such taxing district, and in such case,
4 the board shall determine the actual value as of January 1 of
5 the year of the revaluation and reassessment and compute the
6 taxable value thereof. If the assessment of any such property
7 is raised, or any property is added to the tax list by the
8 board, the clerk shall give notice in the manner provided in
9 section 441.36. ~~However, if the assessment of all property~~
10 ~~in any taxing district is raised, the board may instruct the~~
11 ~~clerk to give immediate notice by one publication in one of~~
12 ~~the official newspapers located in the taxing district, and~~
13 ~~such published notice shall take the place of the mailed notice~~
14 ~~provided for in section 441.36, but all other provisions of~~
15 ~~that section shall apply.~~ The decision of the board as to the
16 foregoing matters shall be subject to appeal to the property
17 assessment appeal board within the same time and in the same
18 manner as provided in section 441.37A and to the district court
19 within the same time and in the same manner as provided in
20 section 441.38.

21 Sec. 4. Section 441.37, subsection 3, Code 2014, is amended
22 to read as follows:

23 3. For assessment years beginning on or after January
24 1, 2014, the board of review may allow property owners or
25 aggrieved taxpayers who are dissatisfied with the owner's or
26 taxpayer's assessment to file a protest against such assessment
27 by electronic means. Electronic filing of assessment protests
28 may be authorized for the protest period that begins April 7,
29 the protest period that begins October 15, or both. Except
30 for the requirement that a protest be signed, all other
31 requirements of this section for an assessment protest to the
32 board of review shall apply to a protest filed electronically.
33 If electronic filing is authorized by the local board of
34 review, the availability of electronic filing shall be
35 clearly indicated on the assessment roll notice provided to

1 the property owner or taxpayer and included in the ~~published~~
2 equalization order notice provided to the property owner or
3 taxpayer.

4 Sec. 5. Section 441.49, subsection 1, paragraph b, Code
5 2014, is amended to read as follows:

6 b. However, an assessing jurisdiction may request the
7 director to permit the use of an alternative method of
8 applying the equalization order to the property values in the
9 assessing jurisdiction, provided that the final valuation
10 shall be equivalent to the director's equalization order. The
11 assessing jurisdiction shall notify the county auditor of
12 the request for the use of an alternative method of applying
13 the equalization order and the director's disposition of the
14 request. The request to use an alternative method of applying
15 the equalization order, including procedures for notifying
16 affected property owners and appealing valuation adjustments,
17 shall be made within ten days from the date the county auditor
18 receives the equalization order and the valuation adjustments,
19 and appeal procedures shall be completed by ~~November 30~~
20 December 20 of the year of the equalization order. Compliance
21 with the provisions of section 441.21 is sufficient grounds
22 for the director to permit the use of an alternative method of
23 applying the equalization order.

24 Sec. 6. Section 441.49, subsections 2 and 4, Code 2014, are
25 amended to read as follows:

26 2. a. ~~On or before October 15 the~~ The county auditor
27 ~~shall cause to be published in official newspapers of general~~
28 ~~circulation~~ notify each property owner or taxpayer whose
29 valuation has been adjusted by the final equalization order
30 by mail postmarked on or before October 15. ~~The publication~~
31 individual notices mailed to each affected property owner or
32 taxpayer shall include, in type larger than the remainder of
33 the publication notice, the following statement statements:

34 Assessed values are equalized by the department of revenue
35 every two years. Local taxing authorities determine the final

1 tax levies and may reduce property tax rates to compensate
2 for any increase in valuation due to equalization. If you
3 are not satisfied that your assessment as adjusted by the
4 equalization order is correct, you may file a protest against
5 such assessment with the board of review on or after October
6 15, to and including November 15.

7 b. Failure to ~~publish~~ notify property owners or taxpayers
8 of the equalization order has no effect upon the validity of
9 the orders.

10 4. The local board of review shall reconvene in special
11 session from ~~October 15~~ November 10 to November 15 December 10
12 for the purpose of hearing the protests of affected property
13 owners or taxpayers within the jurisdiction of the board whose
14 valuation of property if adjusted pursuant to the equalization
15 order issued by the director of revenue will result in a
16 greater value than permitted under section 441.21. The board
17 of review shall accept protests only during the ~~first ten days~~
18 ~~following the date the local board of review reconvenes~~ period
19 of time from October 15 to and including November 15. The
20 board of review shall limit its review to only the timely filed
21 protests. The board of review may adjust all or a part of
22 the percentage increase ordered by the director of revenue by
23 adjusting the actual value of the property under protest to one
24 hundred percent of actual value. Any adjustment so determined
25 by the board of review shall not exceed the percentage increase
26 provided for in the director's equalization order. The
27 determination of the board of review on filed protests is
28 final, subject to appeal to the property assessment appeal
29 board. A final decision by the local board of review, or the
30 property assessment appeal board, if the local board's decision
31 is appealed, is subject to review by the director of revenue
32 for the purpose of determining whether the board's actions
33 substantially altered the equalization order. In making the
34 review, the director has all the powers provided in chapter
35 421, and in exercising the powers the director is not subject

1 to chapter 17A. Not later than fifteen days following the
2 adjournment of the board, the board of review shall submit to
3 the director of revenue, on forms prescribed by the director, a
4 report of all actions taken by the board of review during this
5 session.

6 Sec. 7. IMPLEMENTATION OF ACT. Section 25B.2, subsection
7 3, shall not apply to this Act.

8 Sec. 8. APPLICABILITY. This Act applies to assessment years
9 beginning on or after January 1, 2015.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 This bill relates to property assessment and taxation by
14 modifying provisions relating to property assessment notices
15 and equalization order notices.

16 The bill strikes a provision in Code section 441.23 that
17 authorizes the local assessor, in lieu of individual taxpayer
18 notices, to provide notice to taxpayers by publication in the
19 official newspapers of the county if the valuation of a class
20 of property is uniformly decreased. The bill also strikes a
21 provision in Code section 441.35, subsection 2, that authorizes
22 the local board of review to provide notice to taxpayers by
23 publication in one of the official newspapers located in
24 the taxing district if the local board of review raises the
25 assessment of all property in a taxing district during the
26 local board of review's session in an even-numbered assessment
27 year.

28 Current Code law requires the department of revenue to, in
29 each odd-numbered year, order the equalization of the levels of
30 assessment of each class of property in the several assessing
31 jurisdictions by adding to or deducting from the valuation of
32 each class of property if the aggregate assessed valuation of
33 that class of property is at least 5 percent above or below the
34 valuation of that class of property statewide. Current Code
35 section 441.26 requires the county auditor to publish notice

1 of the final equalization order in an official newspaper of
2 general circulation. The bill strikes the authority to provide
3 such notice by publication and instead requires the county
4 auditor to provide individual notices mailed to each property
5 owner or taxpayer whose valuation has been adjusted by the
6 equalization order. The bill provides that the notice shall
7 contain the statement currently required in published notices
8 and also requires that the notice contain a statement of the
9 owner's or taxpayer's ability to file a protest against an
10 assessment adjusted by the equalization order with the local
11 board of review.

12 The bill also modifies the period of time for taxpayer
13 protests of an equalization order and the dates of the local
14 board of review's session to hear such protests. Current law
15 allows such protests to be filed on or after October 15 to and
16 including October 25. The bill extends the period of time
17 for filing to November 15. The bill provides that the local
18 board of review's session to hear protests begins November
19 10, instead of October 15, and ends December 10, instead of
20 November 15. The bill also provides that the deadline for
21 completing the appeal procedures for equalizations implemented
22 by the assessing jurisdiction using an alternative method of
23 applying the equalization order is December 20 instead of
24 November 30.

25 The bill may include a state mandate as defined in Code
26 section 25B.3. The bill makes inapplicable Code section 25B.2,
27 subsection 3, which would relieve a political subdivision from
28 complying with a state mandate if funding for the cost of
29 the state mandate is not provided or specified. Therefore,
30 political subdivisions are required to comply with any state
31 mandate included in the bill.

32 The bill applies to assessment years beginning on or after
33 January 1, 2015.